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Explanations of Rules and Regulations.

CIRCULAR LETTER.

COMMISSIONER'S OFFICE,

HUDSON'S BAY HOUSE,

WINNIPEG, 20th JUNE, 1889.

SIR,—

As some of the Rules and Regulations issued on October 18th, 1887, appear by many not to have been fully understood, or not carried out, you are requested to refer to them and carefully to consider the following explanations. Should their meaning be then not plain, or should any further information be desired, you will be good enough to make necessary enquiries.

I desire to impress upon officers the necessity for these Rules and Regulations being carried out in every particular. Importance will be attached to neglect of this instruction.

Statements to be sent to the Commissioner as provided in Rules 25, 36, 42, 46, 50, 56, 75, 82, 90, 95 and 96 have frequently been omitted. It is urgently hoped that this may not again have to be mentioned.

Rule 1. Commissioned officers who have commuted their board allowance pay for the amount specified in Rule 2 five per cent. upon *cost-landed at the Depot* of the Department.

Rule 4. Clerks who have commuted pay for the amount specified in Rule 5 in all cases twelve and a half per cent. upon the cost-landed at the Depot of the Department. Clerks who have not commuted pay for the amounts specified in Rule 5 seven and a half per cent. on the cost-landed at the Depot of the Department for goods taken in their own District, and twelve and a half per cent. on the cost-landed at the Depot of the Department for goods taken elsewhere.

Rule 5. This Rule has not in all cases been observed, the amount of supplies to be taken by those who have commuted not having been submitted to the Commissioner.

Rule 12. Where there is a Mess a provision book should be kept showing the daily issue of provisions.

Rule 21. Any expenses incurred under this Rule should be specially reported to the Commissioner.

Rule 26. Letters of introduction are not to be considered as implying that credit is to be given. When advances may be made, letters of credit will be issued.

Rule 31. The word "renewal" is here taken to mean the continuance of the contract at the former rate of wages. No advance in wages can be given without reference. Whenever any change in the wages in either yearly or monthly contracts is made, a new contract is necessary.

Rule 45. The annual District Report should accompany and be considered as part of the accounts of the outfit, though sent as provided in this Rule and Rule 90. It is to be explanatory of the accounts, giving the causes of any considerable differences in the amounts of the various items as compared with the same items of the previous year. It should also contain a short account of the trade of the past year and the prospects. The state of the Indians, competition, transport and fluctuation in the quantities of the various fur-bearing animals during the preceding outfit, together with any other topic of importance should also be alluded to. Reference should not be made to preceding letters.

Rule 49. In no case should credit be given to Indians not faithful to the Company. Every effort should be made, if not to abolish, to keep as low as possible, Indian debts. They should be confined to hunters only, to be repaid in furs, and not by country made articles nor country produce.

Rule 70. 1. Both the value of goods and the quantities should be divided under the heads of "current," "last," and "previous outfits."

b. Provisions. This item is intended to apply only to provisions necessary for consumption at the Post. It therefore applies only where there is a Mess. Provisions for sale should be classified under the head of "(a) General goods."

3. Flour when for sale or trade should be under the head of "General goods (1 a)"; when for consumption at the Post under the head of "Provisions (1 b)."

2 & 3. When placed on inventory, country made articles and country produce should be valued at their nett cost. If they have been traded for goods the profit on the goods should be deducted. If transferred, $2\frac{1}{2}$ per cent can be added in accordance with Rule 88.

Rule 71. The "current market value" means the price that can be obtained in case an order to sell be given. In inland places where there is not a market, the market value should be considered to be the cost of replacing the animal, ample allowance being made for age and deterioration.

Rule 73. The words "no payment," should be taken to mean no payment which is not a fair proportion of the debt. "Good security" means a security that can be readily realized.

Rule 75. While Indian debts are not to be valued on inventory they are in other respects to be treated as other debts, excepting that if not paid in full within one year they are for the purposes of the list alluded to in this Rule to be considered bad, and in future statements to be left out. The statement required therefore should show the current balance.

Rule 78. This Rule seems to have been neglected. Nothing in the stock of goods should be valued at a price higher than it will readily fetch in the ordinary course of trade. Whenever such a reduction is made as to bring the price below the cost-landed the article should be classed under this head.

Rule 82. Freight rates should be made out based on the estimate as provided by the Rule and not delayed until the end of the season, as otherwise Rule 84 cannot be complied with and the cost-landed of goods cannot be ascertained on their receipt at the various Posts.

Rule 84. No package should be sent without the bill of lading and charges accompanying it.

Rule 86. As 20 per cent is a small amount for the annual reduction in the valuation of roads, care should be taken that the cost of improvements added be valued low, no profit being included. Ordinary repairs to maintain the road should not be added to the inventory.

Rule 89. 8. See Rule 75 and remarks above.

9. The names and amounts will be sufficient.

10. A new form No. 14 is provided which must in future be used. Nothing that enters into the cost-landed should be considered as an expense, but every other charge, except the reduction on inventory of repairs and improvements and bad debts, should be placed under its proper head as an expense.

Mess expenses should include the cost of all provisions issued for the Mess and as rations to permanent servants and their families. The wages of cooks or domestic servants should be under the head of wages or monthly labor. Rations

to temporary servants should be considered as part of their wages and classed under the head of temporary assistance.

Discount should be considered as a reduction in the selling prices. It should therefore be charged to Merchandize Account and not to Expenses.

No alteration of the items in the form should be made.

Should there be items not printed on the form they should be added, as the amount under the head of "Sundries" must be very small.

Items under which there is no charge should be ticked out.

The same form as No. 14, differently headed should be used for the District expenses. They should be only the cost of the management of the District and of the District office. These expenses should be divided amongst the Posts in proportion to the amount of their inventories.

The total of the Post expenses should agree with the amounts shown at the bottom of the Balance sheets, form No. 17, and in the case of salesshops with the total of the expenses in form No. 20.

13. Care should be taken that the total results of Posts agree with the result of the District as in form No. 18.

Rule 90.

The remarks under the preceding head apply also here.

7. See remarks above on Rule 45.

11. If country produce has been taken in trade and is in stock to any considerable amount, it should be noted on the statement. When it is sold wholesale a note should also be made.

Care should be taken in the estimate of profit.

The total expenses for the twelve months should agree with the amount as in form No. 14.

Every blank in the form and every item should be filled in, or, if not applicable, ticked out.

These forms must be despatched from the Post or the District office not later than the 5th of each month. In the Montreal and Western Departments, copies should at the same time be sent to the officer in charge of the Department. Officers in charge of Districts should make arrangements and are considered responsible for these instructions being carried out.

Rule 94.

The fullest possible description of goods required should be made in the requisitions. Patterns, sketches, marginal notes, or anything which will be of assistance to the buyer, should be freely used. On the arrival of the goods careful examination of them should be made with both requisition and invoice. Claims should be made for shortages, and a report sent upon goods not suitable or not answering to the requisition.

Yours faithfully,

J. WRIGLEY,
Commissioner.